

EXHIBIT 3



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Denmark Hit With £46M Legal Bill In Failed UK Cum-Ex Suit

By Richard Crump

Law360, London (June 9, 2021, 1:38 PM BST) -- A judge has ordered Denmark's tax authority to pay £46.4 million (\$65.8 million) in legal costs racked up by the defendants in the country's failed attempt to recover the proceeds of an alleged £1.5 billion fraud through England's High Court.



Denmark's tax authority expects to spend 635 million Danish kroner (\$104 million) in 2021 pursuing civil litigation over the case, according to a national ministry of finance document. (iStock)

The agency, known as Skat, had been given until Monday to pay part of the total £72 million owed to more than 100 financial institutions and individuals that it sued over an alleged cum-ex dividend tax fraud, according to a court order signed by Judge Andrew Baker on May 24.

Skat was obliged to transfer the money, including £9 million payable to the legal team defending Sanjay Shah, the British trader accused by Denmark of masterminding the fraud, while it appeals Judge Baker's decision to toss the case. He said it was an **inadmissible claim** because foreign nations cannot enforce their revenue laws in English courts.

Shah's counsel, Nigel Jones QC, Lisa Freeman and Laurence Page, will receive £2.24 million, £2.29 million, and £2.11 million respectively, a representative for Shah confirmed.

Ordering Skat to pay the defendants' costs at a more onerous level than on the standard basis, Judge Baker said the litigation was **"politically as well as financially motivated."** It had been "aggressively pursued by a sovereign state with a willingness to expend effectively unlimited resources."

The consequence of Denmark's "no stone left unturned" approach to the case "placed an unusual and disproportionate burden" on the defendants and maximized their costs in response, the judge added.

According to a Danish ministry of finance document, Skat expects to spend 635.2 million Danish kroner (\$104.1 million) in 2021 pursuing the civil litigation. It is estimated that it has spent 2.4 billion kroner spent on the case since it began in 2018.

Judge Baker has dismissed Skat's lawsuit, which alleged the authority was the victim of a cum-ex fraud, in which company shares are sold or swapped just before a dividend payout to produce two refunds on one basket of stocks. He ruled in May that foreign countries are not allowed to enforce their laws in English courts.

Skat was granted permission to **challenge the ruling** at the Court of Appeal by Judge Baker, who said the agency had a realistic prospect of overturning his ruling on the grounds that it failed to correctly consider the Brussels-Lugano Convention — a European Union system that determines which national courts have jurisdiction over defendants.

The authority's case is that Shah's hedge fund, Solo Capital Partners, processed thousands of refund applications for clients based on tax that was not withheld, on dividends that had not been received and on shares that the applicants did not own.

The case is just one route that Denmark is pursuing to claw back the money, including litigation filed in Dubai and the U.S. and criminal proceedings against Shah.

Shah, who lives in Dubai and has had more than £500 million of his assets frozen, denies any wrongdoing and maintains the trading strategy exploited a legal loophole in Denmark's tax system.

"Mr. Shah steadfastly maintains his innocence. He had clear legal advice the trades were allowable," Shah's spokesman, Jack Irvine, said on Tuesday. "We remain appalled at the injustice of an innocent man having all of his assets frozen, which means he has not been able to conduct his highly successful business for five years, provide high-value jobs and pay tax to the U.K. government."

Skat is represented by Michael Fealy QC, Jamie Goldsmith QC, Abra Bompas, James Fox, James Ruddell, Sam O'Leary and KV Krishnaprasad of One Essex Court, instructed by Pinsent Masons LLP.

The Sanjay Shah defendants are represented by Nigel Jones QC and Laurence Page of Hardwicke Chambers and Lisa Freeman of Furnival Chambers, instructed by Meaby & Co Solicitors LLP.

The case is Skatteforvaltningen (The Danish Customs and Tax Administration) v. Solo Capital Partners LLP (in special administration) and others, case numbers CL-2018-000297, CL-2018-000404, CL-2018-000590, CL-2019-000487 & CL-2020-000369 in the Commercial Court, Queen's Bench Division of the High Court of Justice of England and Wales.

--Editing by Ed Harris.